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BEFORE THE ARIZONA CORPORATION COMMISSION

2001 SEP 13 P 3 13

WILLIAM A. MUNDELL
Chairman

Arizona Corporation Commission

AZ CORP COMMISSION
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DOCKETED

JIM IRVIN
Commissioner

SEP 13 2001

MARC SPITZER
Commissioner

DOCKETED BY

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PINE WATER COMPANY, an Arizona corporation,)

Complainant,)

vs.)

DOCKET NO. W-03152A-01-0464

STRAWBERRY HOLLOW DEVELOPMENT,)
INC., an Arizona corporation, STRAWBERRY)
HOLLOW PROPERTIES, L.L.C., an Arizona)
limited liability company, and STRAWBERRY)
HOLLOW PROPERTY OWNER'S)
ASSOCIATION, INC., an Arizona non-profit)
corporation,)

Respondents.)

SUPPLEMENTAL EXHIBITS TO MOTION TO DISMISS

Strawberry Hollow Development, Inc.; Strawberry Hollow Properties, L.L.C.; and
Strawberry Hollow Property Owners Association, Inc. (collectively referred to herein as
"Respondents") hereby supplement their Motion to Dismiss dated August 22, 2001, with the
following additional exhibits:

1) an amendment to the Subdivision Public Report from the Arizona
Department of Real Estate for Strawberry Hollow Phase I deleting reference
to the subdivision receiving water service through the efforts of any of the
Respondents as alleged in the Complaint in this matter and substituting therefore
a provision relating to the receipt of water service solely from the Strawberry Hollow
Domestic Water Improvement District (Exhibit B); and,

2) a similar amendment to the Declaration of Covenants, Conditions and
Restrictions, also attached to the Complaint, for Strawberry Hollow (Exhibit C).

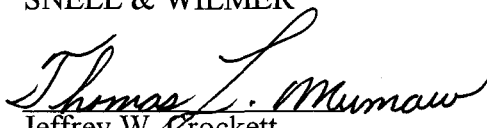
Snell & Wilmer

LLP
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

These amendments to the very documents referenced in the Complaint as "evidence" of Respondents' intent to operate a public service corporation both within Complainant's CC&N and without having first obtained a CC&N of their own are tangible support for Mr. Loren Peterson's affidavit, which was attached as Exhibit A to Respondents' Motion.

RESPECTFULLY submitted this 13th day of September, 2001.

SNELL & WILMER


Jeffrey W. Crockett
Thomas L. Mumaw

Attorneys for Strawberry Hollow Development, Inc.;
Strawberry Hollow Properties, L.L.C.; and
Strawberry Hollow Property Owner's Association

ORIGINAL and ten (10) copies of the foregoing Motion have been filed with Docket Control this 13th day of September, 2001.

A COPY of the foregoing Motion has been faxed or hand-delivered this 13th day of September, 2001, to:

Jay L. Shapiro, Esq.
Thomas R. Wilmoth
FENNEMORE CRAIG PC
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012-2913

Steve Olea, Acting Director
Utilities Division
ARIZONACORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Dwight D. Nodes, Administrative Law Judge
Hearings Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007


Judith Borrego

EXHIBIT B

STATE OF ARIZONA DEPARTMENT OF REAL ESTATE SUBDIVISION PUBLIC REPORT

FOR STRAWBERRY HOLLOW PHASE 1

Registration No. DM 01-027239

SUBDIVIDER

Strawberry Hollow Development, Inc.
P.O. Box 2141
Pine, AZ 85544

April 10, 2001

Effective Date

FIRST AMENDMENT AUGUST 27, 2001

PROPERTY REPORT DISCLAIMER

This report is NOT A RECOMMENDATION NOR AN ENDORSEMENT by the State of Arizona of this land but is provided for informational purposes ONLY. The report reflects information provided by the subdivider and obtained by the Department in its review process in accordance with the provisions of Title 32, Chapter 20, Article 4, of the Arizona Revised Statutes, as amended. **NOTE** that not all of the information in this report has been verified by the Department; certain information has been accepted by the Department as true and accurate based on attestation of the subdivider and/or the subdivider's agents. You should verify all facts before signing any documents. The Department has not passed upon the quality or quantity of any improvement or structure and does not assume responsibility in either event.

PHOENIX OFFICE:
2910 N. 44th Street
First Floor
Phoenix, Arizona 85018
(602) 468-1414 ext. 400

TUCSON OFFICE:
400 West Congress
Suite 523
Tucson, Arizona 85701
(520) 628-6940

REGISTRATION NO. DM01-027239

STRAWBERRY HOLLOW PHASE 1

UTILITIES

Electricity: Arizona Public Service (928-474-7645) with present facilities adjacent to subdivision. Developer is responsible for completion of facilities to lot lines with an estimated completion date of November 30, 2001. Estimated costs lot purchaser will have to pay for completion of facilities from lot line to dwelling are approximately \$5 per foot for trenching and line installation. There will also be a \$25 establishment fee.

Telephone: Qwest (928-776-2559) with present facilities adjacent to subdivision. Developer is responsible for completion of facilities to lot lines with an estimated completion date of November 30, 2001. There will be no additional costs for lot purchaser for completion of facilities to his lot line, but there will be a \$5 per foot charge for trenching and line installation from the lot line to the dwelling. There will be a \$25 hook-up fee and a possible deposit of 2 ½ times the estimated monthly bill depending on credit history.

IT IS POSSIBLE THAT YOU MAY NOT HAVE TELEPHONE SERVICE AT THE TIME OF CLOSING. YOU ARE ADVISED TO CONTACT YOUR SERVICE PROVIDER TO DETERMINE THE STATUS OF TELEPHONE SERVICE. YOU MAY ALSO WANT TO CONSIDER TEMPORARY ALTERNATIVES, I.E. A CELLULAR TELEPHONE.

Piped Propane Gas: Energy West (928-474-2294) with present facilities adjacent to the subdivision. Energy West is responsible for completion of the facilities to the lot lines with an estimated completion date of November 30, 2001. There will be no additional costs of completion of facilities to lot line or from lot line to dwelling. There may be an \$85 deposit required as well as a \$25 establishment fee and a \$5 service fee monthly.

Water: Domestic water will be supplied to this subdivision by the Strawberry Hollow Domestic Water Improvement District per Order issued by a Resolution and as recorded in the Official Records of Gila County, Arizona. Completion of the facilities to the lot line is estimated to be November 30, 2001. Fire hydrants will be installed by November 30, 2001, with no additional costs to the lot purchasers. Maintenance of the water lines within the subdivision (other than from lot line to dwelling) will be the responsibility of the Improvement District. See attached Exhibit B.

Arizona Department of Water Resources, in its Water Adequacy Report #22-400383 dated September 12, 2000, stated:

"Strawberry Hollow Phase 1, is being sold with the domestic water supply to be provided by the Strawberry Hollow Development, Inc. water distribution system as a homeowner's association or improvement district which has yet to be established. Groundwater is being produced from the Redwall limestone. The limited availability of data associated with this formation as an aquifer does not allow for determination of the amount of the groundwater in storage, nor the dependability of supply. Additionally, this general area has been determined to be drought-sensitive. The depth to groundwater may range from 21 to over 1200 feet below land surface depending on topography. Groundwater quality is

EXHIBIT B***STRAWBERRY HOLLOW*****DOMESTIC WATER IMPROVEMENT DISTRICT****WATER RATE SCHEDULE****As of August 16, 2001**

	<u>2001-2002</u>
Monthly Usage Charge To include 1,000 gallons usage	\$15.00
Commodity Charge per 1,000 gallons After 1 st 1,000 gallons usage	1.00
Service Line and Meter Charges One time fee for new installation	470.00
Service Charges Service Establishment Fee	30.00

GILA CO, AZ, LINDA HAUGHT ORTEGA - RECORDER, BY: LOREN PETERSON
DATE: 08/17/2001 TIME: 02:19 PAGE #: 0001 OF 0002 FEE #: 2001 12716 **

EXHIBIT C

When recorded return to:

Loren Peterson
P. O. Box 2141
Pine, Arizona 85544



AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS **STRAWBERRY HOLLOW**

A Declaration of Covenants, Conditions and Restrictions of Strawberry Hollow ("Declaration"), a subdivision of Gila County, Arizona, was executed by Strawberry Hollow Development, Inc., as Declarant and recorded on March 20, 2001 as Fee No. 2001 3946, records of the Gila County Recorder.

Legal title to the Strawberry Hollow lots, included within the Declaration, has been conveyed to First American Title Insurance Company, a California corporation, as Trustee, Trust 8519 ("Trustee") on behalf of Declarant.

Declarant now wishes to amend the Declaration with regard to the water supplying entity. In addition to the provisions of Section XIII 3., the Trustee holds title to in excess of 90% of the lots, and therefore, pursuant to Section XIII, Declarant and Trustee have sole authority to amend this Declaration and do so as follows:

Section XII (Shared Water System/Co-Tenancy) of the Declaration is eliminated in its entirety; Water is being supplied through the Strawberry Hollow Domestic Water Improvement District.

Dated this 17th day of August, 2001.

DECLARANT:

STRAWBERRY HOLLOW DEVELOPMENT,
INC., an Arizona Corporation

FIRST AMERICAN TITLE INSURANCE
COMPANY, INC., a California
Corporation, as Trustee

By: Loren B. Peterson
Loren B. Peterson, President

By: [Signature]
Trust Officer

By: Diane F. Peterson
Diane F. Peterson, Secretary/Treasurer

GILA CO, AZ, LINDA HAUGHT ORTEGA - RECORDER, BY: LOREN PETERSON
 DATE: 08/17/2001 TIME: 02:19 PAGE #: 0002 OF 0002 FEE #: 2001 12716

APPROVED BY LENDER:

STOCKMEN'S BANK, an Arizona corporation

By: [Signature]

STATE OF ARIZONA)
) ss.
 County of Gila)

This instrument was acknowledged before me this 17th day of August, 2001
 by Loren B. Peterson, as President and Diane F. Peterson as Secretary/Treasurer of
 Strawberry Hollow Development, Inc.

[Signature]
 Notary Public

My Commission Expires: 2-14-2005

STATE OF ARIZONA)
) ss.
 County of Gila)



On this 17th day of August, 2001, before me, the undersigned officer, personally
 appeared GARY SHUPP who acknowledged himself to be the
 Trust Officer of First American Title Insurance Company, a California corporation, and that
 he, as such officer being authorized so to do, executed the foregoing instrument for the
 purposes therein contained, by signing the name of the corporation, by himself as Trust
 Officer.

IN WITNESS WHEREOF, I have set my hand and official seal.

[Signature]
 Notary Public

My Commission Expires: 2-14-2005

